



Queensland University of Technology
Brisbane Australia

This is the author's version of a work that was submitted/accepted for publication in the following source:

Cleary, Colleen E. (2009) Why the "Big Deal" continues to persist. *The Serials Librarian*, 57(4), pp. 364-379.

This file was downloaded from: <http://eprints.qut.edu.au/25821/>

© Copyright 2009 Routledge

Notice: *Changes introduced as a result of publishing processes such as copy-editing and formatting may not be reflected in this document. For a definitive version of this work, please refer to the published source:*

<http://dx.doi.org/10.1080/03615260903206853>

Why the “Big Deal” Continues to Persist

by Colleen Cleary

Author Bio: Colleen Cleary (BA, GradDipEd, GradDipLibSc) is the Library Resource Services Deputy Manager, Queensland University of Technology Library. Her position includes datasets coordination and serials acquisition and management. She has over 20 years experience in large academic libraries.

Abstract: The advantages of bundling e-journals together into publisher collections include increased access to information for the subscribing institution’s clients, purchasing cost-effectiveness and streamlined workflows. Whilst cataloguing a consortial e-journal collection has its advantages, there are also various pitfalls and the author outlines efforts by the CAUL (Council of Australian University Libraries) Consortium libraries to further streamline this process, working in conjunction with major publishers.

Despite the advantages that publisher collections provide, pressures to unbundle existing packages continue to build, fuelled by an ever-increasing selection of available electronic resources; decreases in, and competing demands upon, library budgets; the impact of currency fluctuations; and poor usage for an alarmingly high proportion of collection titles.

Consortial perspectives on bundling and unbundling titles are discussed, including options for managing the addition of new titles to the bundle and why customising consortial collections currently does not work. Unbundling analyses carried out at Queensland University of Technology during 2006 to 2008 prior to the renewal of several major publisher collections are presented as further case studies which illustrate why the “big deal” continues to persist.

Keywords: big deal; advantages; workflows; consortia; case study; unbundle

Why the “Big Deal” Continues to Persist

by Colleen Cleary

THE “BIG DEAL” DEFINED

For the purposes of this article, the “big deal” is defined as an aggregation, package, or bundle of online journals, often the entire collection of a commercial publisher, licensed to libraries for a fixed period of years, via a contract negotiated at a standardised price. The price is set to encourage acquisition of the collection in its entirety and is based on the current subscription expenditure with that publisher, plus an additional charge or “top-up” fee for access to the complete collection. Under the terms of the contract, annual price increases (which are usually well below the publisher’s annual list price increases) are capped for a number of years, usually a three year period. During the term of the agreement, individual journal subscriptions upon which the contract price is based can no longer be cancelled, or will have a strict cap on the number of cancellations that can occur (Frazier 2001, under “So What’s the Big Deal”; Gatten and Sanville 2004, para.1; Peters 2001, 302). Increasingly, these deals are being negotiated on behalf of libraries via consortia.

ADVANTAGES OF BUNDLING

Bundles enable publishers to market and negotiate more efficiently, integrate related content, and potentially, control future production costs and secure predictable revenue sources (Frazier, 2001). Publishers market the packages to libraries via consortia and new revenue sources are created for publishers via “top-up fees” as libraries with little existing historical spend join more

“big deals”. Advantages to libraries of bundling e-journals together into publisher collections include increased access to information for the subscribing institution’s clients, purchasing cost-effectiveness, budget predictability, and streamlined workflows.

INCREASED ACCESS

In the case of Queensland University of Technology (QUT), a large University by Australian rankings, subscribed e-journal bundles have significantly amplified collection size and have provided clients with access to a variety of journal titles at levels inconceivable in the print era. In January 2002, the number of unique serial titles accessible to QUT clients (including both print and electronic) was 12,333. In 2008, the number of unique serial titles is now more than 47,000. In addition, these bundled collections have provided access to back issues from the mid- to late-1990’s, providing 24x7 access to students and researchers which, given QUT’s budgetary and space limitations, would not have been feasible in the print format.

PURCHASING COST-EFFECTIVENESS

“Big deals” are usually multi-year agreements and the contract terms generally provide price-caps for subscriptions and top-up fees during the life of the agreement which facilitates predictable budgeting. These agreements usually provide options to add new start-up titles and transfers/acquisitions to the collection, allowing participants to add new content with the benefit of price-caps, providing they are prepared to commit to subscribing to these titles during the life of the agreement.

Small to medium libraries appear to benefit the most in obtaining access to a broad range of titles they could never have afforded individually for little extra cost above their subscription outlay. Large academic libraries are perhaps motivated more by increased collection size than the

financial incentives, which are not as convincing. In some cases, the larger institutions subsidise the smaller libraries in the consortium arrangement. They may pay larger top-up fees than their small and medium-sized counterparts, and are locked into large base subscription expenditures which include duplicate copies due to the legacy of their multi-campus/multi-library print subscription histories.

STREAMLINED WORKFLOWS

Bundled collections are generally easier to catalogue and maintain than very large numbers of individual e-journal subscriptions, especially with the added assistance of the MARC record/link-resolver/Electronic Resource Management System (ERMS) knowledge-base providers.

Catalogue, link-resolver and ERMS population is easier with bundles because it is not necessary to make individual title selections of records or to apply institution-specific customisation of catalogue records on a title-by-title basis. Access to back issues can be readily reflected in the catalogue from a single-year starting point and publisher newsletters may further facilitate currency of the catalogue and knowledge-base by providing advice of new and transferred titles in/out of collections.

Whilst replacement of individual print subscriptions with online collections has eliminated some types of work, “big deal” maintenance is still detailed and time-consuming. At the beginning of the subscription, Serials maintenance staff will check to ensure that access to all entitlements has been enabled and continued access must be verified again at the start of each new year.

Throughout the year, staff will monitor publisher newsletters and emails to track and maintain access to titles moving in and out of collections as publishers acquire new journals, sign contracts with new associations to host their journals, or buy and sell journal titles or merge with other

publishers. This verification of access to entitlements is further complicated by serial title changes.

Consortia may negotiate packages for their members that are partial sets of the publisher's full collection. In these cases, the collection must be customised with the MARC record/link-resolver/ERMS knowledge-base provider, negating some of the benefits that these services can provide. In an effort to entice libraries to acquire more content, publishers offer access for new/young journals on a free trial basis and action must be time-tabled to obtain decisions from collection librarians on catalogue retention and to update the catalogue to accurately reflect accessible content.

Since 2007, efforts have been made by the Council of Australian Libraries (CAUL) consortium to streamline tracking of publisher collections, working in conjunction with major publishers and SerialsSolutions in the first instance. The objective is to supply one authorised and “up-to-date” list of each CAUL e-journal package to the MARC record suppliers who then make the records for these collections available to their CAUL subscribers. The consortium initially planned to pay volunteer member institutions to conduct an annual audit of contracted titles, so as to utilise existing member customisation of lists, share workload and eliminate duplication of effort. Changes to holdings, title changes and transfers, which can occur at any time, would be managed by the individual institutions.

Ultimately, however, as the publishers were best placed to provide accurate lists, it was decided to ask them to provide the CAUL specific lists directly to the vendors, adding further return on “big deal” investment. Arrangements commenced with Wiley-Blackwell, Springer, and Taylor & Francis and while these CAUL-specific lists are now available to libraries via SerialsSolutions, work continued during 2008 between the consortium and these publishers to obtain lists which

are entirely accurate. Meanwhile, SerialsSolutions has recently announced the release of a module designed to facilitate management of packages at consortium level which may further simplify the catalogue and openURL access workflow. In addition, tracking of perpetual access entitlements should be simpler for publisher collections which have standard archival start dates than for thousands of individual e-journals.

PRESSURES TO UNBUNDLE

Despite their advantages, there are increasing pressures to unbundle existing “big deals”. The persistent escalation of serial prices has been well documented in the literature reviewed for this article. Most recently, McGuigan and Russell (2008) cite Association of Research Libraries (ARL) statistics which show that over the 20 years from 1986 to 2005, the average annual percentage increase in price for all serials was 7.6% and that serial expenditures for ARL members have increased 302% while the number of serial items purchased has increased only 1.9% on average per year. Periodical prices continue to significantly outperform the CPI with US periodical prices increasing by 7.3% in 2006 compared to a CPI increase of 2.5%. Further hikes are anticipated during 2009, with increases fuelled by currency volatility predicted to average ten percent overall (Van Orsdell & Born, 2008) (The Bowker Annual Library and Book Trade Almanac 2008, 513).

In 2001, Frazier projected that “big deals” would result in price increases to already unreasonably priced commercial journals and that an annual price increase of seven percent would double the cost of these deals over a decade. (Frazier, 2001). The amounts assumed by Frazier are only slightly above the six percent average increase experienced by QUT on its four major deals during the five year period to 2009. QUT’s “big deals” are incrementing at a rate higher than the increases for the library’s resource budget which has grown by 35% between 2001 and 2008. The

budget increase falls well short of the 42% required to keep up with average “big deal” expenditure and erodes the Library’s ability to acquire new resources and formats.

Experiments in open access publishing have so far had negligible impact on the dominance of the large commercial publishers or publishing prices. The higher percentage increase in serial prices 2007-2008 over 2004-2005 for North America, Europe and Australia also reveals the limited impact made by repositories and other freely available scholarly information access infrastructure on serial price inflation (Van Orsdel and Born, 2008)); (Burrows, 2006, 177). The spiralling increase in serial prices is exacerbated in the local context due to the fluctuating strength of the Australian dollar against the major global currencies. The potential for currency variation to undermine purchasing power has been demonstrated during the financial crisis of 2008. When, for example, Queensland University of Technology renewed its journal subscriptions in 2007, the average exchange rate was A\$0.85 against the US dollar, A\$0.44 against the British pound and A\$0.62 against the Euro. This has dropped to an average of A\$0.67, A\$0.42 and A\$0.48 respectively during 2008, which is an 18.57% decrease in purchasing power due to currency variation.

More resources continue to become available in electronic format each year, competing for a share of library materials budgets with “big deals”. Book title output in the United States increased by nearly 8% over the four year period from 2004-2007 (Bowker Annual Library and Book Trade Almanac 2008, 536). Tenopir identified 180,200 active serial records in Ulrichsweb.com at November 2003 and this has increased by 25% to 225,052 by January 2009. Active refereed and academic/scholarly titles have increased by 20% and 49% over the same period (Tenopir, 2004, 32; Ulrichsweb.com, 2009).

In addition, e-books are becoming increasingly popular and user-driven selection models such as EBL (Ebook Library) have capacity to consume a significant share of library materials budgets. Meanwhile, print monographs are still required for high-use titles, competing for a share of static budgets with e-books. In 1997, 38% of the QUT library resource allocation was assigned to purchase of monographs, with serials comprising the balance. In 2008, including the amount allocated to e-books, the proportion assigned for monograph purchases has reduced to 27%.

In response to the increasing availability of electronic resources, rising serial prices and competing demands upon static library budgets, libraries are further scrutinising database usage statistics and assessing return on investment in order to justify renewal of all subscriptions, including “big deal” collections. Since 2005, prior to renewal, QUT analysed each of its five major multi-year publisher agreements to quantify return on investment. The analyses involved review of title level usage and investigation of pricing options to determine if it would be cheaper to unbundle and subscribe individually or to retain the collections. The average cost per full-text download from cheapest to most expensive, represented in Australian dollars, was A\$2.35, A\$2.41, A\$4.80, A\$6.01 and A\$8.68.

All packages exhibited a high average cost-per-download for previously subscribed titles, revealing that these historical subscriptions were no longer the most relevant to QUT teaching and client information needs. In all cases, the average cost per full-text download for non-subscribed titles was significantly lower than subscribed titles, and overall, the package provided a better return on investment than the subscribed titles.

An alarmingly high proportion of collection titles exhibited poor usage, ranging from zero to less than thirty full-text downloads per annum. However, in all cases, the packages were renewed because the usage threshold at which it would be cheaper to unbundle the collections was

considered too high to be acceptable to library clients. When calculating the cost of individual subscriptions with some publishers and in the case of Universities with multiple campuses, publisher list price cannot be used. Libraries considering unbundling these collections face the prospect of multi-site access fees of up to twenty percentage or more which, when added to the list price of individual subscriptions, necessitates selection of a much reduced collection of journal content, rendering the decision unacceptable from a client perspective.

In 2008, the vice-president of journal publishing of a major publisher assured the author that the pricing of publisher bundles compels libraries to maintain them for no other reason than that the pricing is based on historical expenditure levels. Edlin and Rubinfeld (2004, 143) explain this phenomenon as “third-degree price discrimination” where the price the buyer is quoted depends upon the buyer’s observable characteristics and that the subscription base prior to the introduction of the “big deal” reveals the library’s willingness to pay for journals. Simply put, these bundles are (or were) currently affordable within the libraries’ budgets. In spite of the growing pressures to unbundle, a budgetary crisis point had not yet been reached; push had not yet come to shove.

CONSORTIAL PERSPECTIVES ON THE BUNDLE AND WHY CUSTOMISING CONSORTIAL COLLECTIONS APPARENTLY DOES NOT WORK

The practice where some publishers add new titles to the consortium bundle and require extra payment without providing the option to remove irrelevant or low-use content is another factor aggravating “big deal” contract management for libraries. The CAUL consortium has tried several models for managing the addition of new titles to packages, attempting to balance publisher interests with the need to protect its members from unsustainable price increases.

As Renison indicates, automatically adding new titles to packages satisfies library clients who assume that all titles from a publisher will be available, and managing complete, as opposed to partial, collections is more practical and efficient for libraries. However, the consequences of the “complete” approach are rising costs and potential for participants to be forced to leave the consortium. Not surprisingly, this option has not been popular with consortium members due to concerns about ongoing affordability. Renison concludes that such attempts will be unsatisfactory “largely because the packages themselves are based on a flawed and unsustainable price model” (Renison, 2006).

The consortium decided that future agreements would protect consortium members from imposed price increases, with new titles available only as optional additions by member choice. So unless they are able to keep paying more, members are locked into largely static collections with little capacity to acquire new content.

CASE STUDY IN RETURN ON INVESTMENT – TAYLOR & FRANCIS/INFORMA HEALTHCARE

The funding effects of the current world financial crisis on universities are too early to determine. However, the drop in the value of some currencies will push price increases to even higher than usual levels in 2009 with the United States predicted to experience increases of ten percent. (Van Orsdel and Born, 2008,). In many countries, universities are expecting or experiencing significant reductions in library budgets as university incomes are cut. Hastened by the downward spiral in the Australian dollar, QUT completed a second unbundling analysis of the Taylor & Francis Online Journals collection, a three-year CAUL consortium deal due to expire in 2008. In 2009, the Informa Healthcare imprints from the Taylor & Francis STM package would become the Informa Healthcare Journal Collection of 180 titles, available as a one year agreement. The

Taylor & Francis three year deal 2009 to 2011 would provide access to 250 Science & Technology Library (S&T) Collection titles and over 900 Social Science & Humanities Library (SSH) titles.

Title-level full-text download statistics for 2007 were matched against 2009 subscription pricing for the three collections under consideration, as decisions needed to be based on the future cost of the proposed Taylor & Francis/Informa Health collections. If QUT were to unbundle either of the Taylor & Francis collections and subscribe individually it would incur a multi-site access charge on top of the list price which also had to be factored into the analysis.

Table 1 shows the number of titles with full-text downloads for various levels of usage and the US dollar cost if QUT were to subscribe to titles individually. In the summary of usage of previously subscribed titles, sixty percent of SSH subscribed titles, 63% of S&T subscribed titles and 54% of the fourteen Informa Healthcare subscribed titles had less than thirty full-text downloads, which was considered to be the threshold for low usage.

Table 1

Usage Analysis (2007 full-text downloads and 2009 pricing)

Full-text Downloads	Subscribed titles	Percentage of Subscribed titles	Non-Subscribed titles	Percentage of Non-Subscribed titles
	Number of Subscribed Titles 220		Number of Non-Subscribed Titles 686	
SSH				
<30 or no usage	131 US\$79, 101	60%	539 US\$327, 398	78%
> 30	21 US\$21, 442	9%	60 US\$55, 320	9%
> 50	41 US\$37, 228	19 %	59 US\$62, 611	9%
>100	21		18	

	US\$32,960	9%	US\$23,467	3%
> 200	6 US\$15,175	3 %	5 US\$8,947	1%
S & T	Number of Subscribed Titles 19		Number of Non- Subscribed Titles 271	
<30	12 US\$18,425	63%	250 US\$614,604	92%
> 30	2 US\$11,802	11%	10 US\$24,925	4%
> 50	3 US\$4,825	16%	8 US\$15,914	3%
>100	1 US\$1,753	5%	3 US\$20,239	1%
> 200	1 US\$4,505	5%	0 US\$0.00	n/a
Informa Heathcare	Number of Subscribed Titles 14		Number of Non- Subscribed Titles 165	
<30	9 US\$7477	64%	124 US\$190,135	75%
> 30	1 US\$607	7%	29 US\$6410	18%
> 50	3 US\$607	22%	8 US\$8035	5%
>100	1 US\$1020	7%	4 US\$3460	2%
> 200	0 US\$0.00	n/a	0 US\$0.00	n/a

ANALYSIS OF RETURN ON INVESTMENT

TAYLOR & FRANCIS

SSH LIBRARY COLLECTION

The average cost per full-text download was US\$7.57/ A\$11.34; for subscribed titles only: US\$16.48/A\$24.70; and for non-subscribed titles: US\$13.31/A\$19.94. The usage break-even point at which it would be more cost-effective to subscribe to SSH titles individually was 52 or more full-text downloads. However, unbundling the collection at this level of usage would provide a negligible saving. Raising the threshold to 60 full-text downloads achieved a modest

saving of US\$21,312. This would provide access to a total of 112 titles, compared to the 1,053 titles currently accessed.

S&T LIBRARY COLLECTION

The average cost per full-text download was US\$11.72/A\$17.54; for subscribed titles only was a surprising US\$42.67/A\$63.92; and for non-subscribed titles was US\$15.02/A\$22.50. The usage break-even point at which it would be more cost-effective to subscribe to titles individually was 69 or more full-text downloads. Unbundling the collection at this level of usage would maintain access to only 12 of the most heavily used titles compared to the 317 titles currently accessible for an extremely modest saving of US\$4,272. As the well-used titles were so costly and access would be so drastically reduced, it was much more appealing to maintain access to the collection.

INFORMA HEALTHCARE

The average cost per full-text download was US\$8.62/A\$13.12; for subscribed titles only was US\$32.82/A\$49.17; and for non-subscribed titles, US\$10.27/A\$15.39. The usage break-even point at which it would be more cost-effective to subscribe to titles individually was 58 or more full-text downloads for subscribed and 61 for non-subscribed titles. If QUT unbundled it would make a very modest saving of US\$3,565 for access to only fourteen titles compared to the 197 titles currently accessible.

As Peters finds (2001, 303), when making selection and renewal decisions, libraries must carefully examine how their clients are using the available digital collections and selection and renewal decisions must be made using exact usage data. According to Scigliano “Ideally, use statistics are gathered for one calendar year, as a corollary to the subscription year” (Scigliano,

2002, 396). The analysis above was initially made using 2007 usage statistics. However, the year-to-date September 2008 usage statistics revealed a different pattern of use for individual journals compared to 2007. Certain titles which fell above the download threshold for 2007 were trending towards less than thirty downloads during 2008 while other titles, including titles new to the collection, were already well above the threshold for 2008 usage. On the basis of this experience, it would be better to average usage over a two-year period in order to inform which titles should be retained.

In any decision to unbundle, the staffing costs associated with managing individual subscriptions must be considered. In 2008, the ratio of print to electronic subscriptions accessible at QUT is now 5:95 down from 30:70 in 2001, with 88% of electronic subscriptions now acquired via aggregations or “big deals”. Due to this reduction in the number and proportion of individual subscriptions needing to be managed, and with the benefit of EDI invoicing and subscription management portals such as Swetswise and EBSCONet, the addition of approximately 100 individual subscriptions could be readily absorbed by staff.

Peters asserts that one implication of “big deal” collection development is that “the value proposition of having trained experts select content at the level of individual journal and monographic titles is continuing to lose its punch” (Peters, 2001, 303). While this may be true, any unbundling decision must be considered with regard to the implications for library clients. Some assessment of the potential loss of “tangible and intangible benefits” was required, beyond pricing and raw usage data (Scigliano, 2002, 394) and QUT liaison librarians were consulted on the implications of potential cancellation for their stake-holders. They were asked to identify any SSH titles below the usage break-even point for which it would be critical if access was lost to undergraduates or for which access for researchers could not be adequately provided via document delivery. These assessments were to be based on discipline expertise and no attempt

was made to take into account the cost of inconvenience to researchers associated with the replacement of online access or the cost of the document delivery itself.

Initially, the liaison librarians identified 107 additional critical titles but over fifty percent of these had less than thirty downloads. In order to achieve even modest savings, it was necessary to raise the thresh-hold to subscribe only to titles with more seventy full-text downloads in 2007 plus fifteen titles with more than sixty downloads in 2008. This would achieve a saving of US\$14,100 against the SSH bundle and provide access to 105 titles. QUT decided to cancel the SSH collection, to renew the S&T and subscribe to the Informa Healthcare collection.

While the savings achieved are initially minimal, the decision to unbundle provides QUT with the necessary flexibility to achieve further savings via cancellations if required. From 2010, liaison librarians will be offered the opportunity to substitute alternative critical titles if the titles selected via the unbundling usage analysis do not prove to be the most essential titles for QUT. It was also important for the future flexibility of decision-making to ensure that the Taylor & Francis three-year licence agreement for the science and technology collection provided an opt-out clause for “unavoidable circumstances” such as significant currency devaluation or budget cuts.

WHY THE “BIG DEAL” CONTINUES TO PERSIST

Overall, as demonstrated by average cost per download, “big deals” provide relatively good value for money as well as extending access to content. Reducing back to a core of individual subscriptions restricts the ability of the library to make new journals or new subject areas available to its clients. QUT’s decision to unbundle the Taylor & Francis SSH collection will drastically reduce access from over 900 titles down to around 100 high-use titles and it is too early to report on the implications of this decision.

The Triangle Research Libraries Network (TRLN) cancelled ScienceDirect and Blackwell Publishing deals effective end 2003 and relied on document delivery to provide access to unsubscribed titles. Ramifications for Duke University, one of the TRLN consortium members, included significant loss of access for clients, a return to less efficient workflows and higher annual subscription price increases due to the loss of price caps. Positive outcomes included: increased faculty support, understanding and interest in fighting for larger increases in funding for the libraries; capacity to review all titles and make major changes to support academic direction, as well as increased ability to prioritise expenditures and meet budget needs. As a result of unbundling, Duke was able to subscribe to some new titles and to enter into new agreements, “on their terms” (Gibbs, 2005, 92-93).

However, the Duke experience remains an exception and few libraries have so far cancelled their “big deals”. Burrows (2006, 172) provides figures to demonstrate the appeal of the “big deal” in allowing libraries to reverse decline in subscription numbers, with average numbers of current titles for the CAUL libraries having increased from 8,285 current serials in 1999 to 43,782 in 2004, with 86% of these drawn from publisher bundles.

The largest and best funded university libraries have the least to lose in leaving “big deals”; they have less financial incentive to stay in the deal and benefit the least from increased access, often having subscribed individually to a large percentage of the publisher’s list. However, according to Frazier, they joined these agreements to be “restored to the glory days of comprehensive collecting” (Frazier, 2001). Their larger budgets have also made it easier to maintain existing collections and acquire new content. Friend (2003,153-4) observes that “library performance indicators are geared to numbers” and medium and smaller libraries are reluctant to pull back from this “numbers game”, driven by fear of the reaction from academic and student clients as

their access to the unprecedented range of titles and depth of back-issues built up over the past ten years is seriously diminished.

The role of consortia in the maintenance of “big deals” is crucial. Traditionally, consortia have tried to offer as broad a range of content as could be absorbed by an institution’s financial (and technical) resources (Scigliano, 2002, 393). Peters notes that “Consortia often aid and abet big deals between publishers and libraries” (Peters, 2001, 303). While consortia and their managers are motivated to ensure that the best possible price is achieved for consortia members (Scigliano, 2002, 393), according to McGuigan and Russell they have had minimal impact in limiting escalating journal prices with one reason being that their fragmented nature diminishes their bargaining power (McGuigan and Russell, 2008). Consortia managers are reluctant to embrace alternatives to the traditional “big deal”, arguing that there is a negligible cost to members associated with continuing to include the “long-tail” of low/zero usage content in the bundle. This reluctance is due to the relative ease of negotiating and maintaining the “one size fits all” deal and the difficulty of devising a workable alternative.

WILL THE “BIG DEAL” CONTINUE TO PERSIST?

Friend (2003, 154) asserts that the buying and selling of journal titles is complicating the management of large packages for publishers, a sign that the days of the “big deal” are numbered. Sensing that this type of deal cannot be further extended, even large publishers who benefit the most are seeking alternative purchase models. Van Orsdel and Born (2008) concur that publishers are finding the resource-intensive process of negotiating pricing for their content to be a drain on profitability and are considering selling their journals as a single database with fixed pricing and no movement of titles in and out as well and other strategies to exit traditional advertising-based publishing.

Since the rise of the “big deal” ten years ago, benign financial conditions have mitigated in favour of the status quo. However, the current world financial crisis could well be the tipping point, forcing many libraries to rapidly identify subscribed content for cancellation. As reflected on the International Coalition of Library Consortia (ICOLC) email list, individual libraries in the United States and elsewhere are already formulating plans for early termination of their multi-year contracts (although for many, existing “opt-out” clauses can only be invoked as a last resort at the highest levels of governance).

The current global economic climate will provide a litmus test as to whether in the preparations for the 2010 renewal cycle, active collective bargaining with journal publishers will replace the consortial fragmentation and reluctance to consider alternatives evident in the past. Consortia are well aware that mass withdrawal from bundles will impact on all members and ICOLC has acted quickly to the circumstances in publishing its global economic crisis statement for transmission to publishers, vendors, libraries and consortia.

The ICOLC statement requests publishers to work with consortia to preserve the customer base for publishers and “avoid all-or-nothing, take-it-or-leave-it decisions” by providing flexible pricing options, including reduced expenditure without disproportionate loss of content, and tailoring content to need. Other options encouraged include clear opt-out/reduction clauses to enable individual libraries to withdraw from multi-year contracts in the face of significant budgetary pressures, and flexible invoicing schedules. The call for “customized approaches that look to usage patterns as the basis for an adjustment” is especially encouraging (ICOLC 2009). Whether this statement is the beginning of a “super coalition of academic libraries to strengthen the bargaining position of the buyer groups with the journal publishers,” remains to be seen (McGuigan and Russell 2008).

In 2001, Frazier predicted the “big deal” dilemma, noting that benefits such as expanded access are desirable in the short-term but that ultimately, because of their “big deal” commitments, libraries would “lose the opportunity to shape the content or quality of journal literature through the selection process” and would “face the all-or-nothing choice of paying what publishers want or giving up an indispensable resource” (Frazier 2001).

A logical alternative is for consortia and libraries to plan ahead and negotiate some control over content in order to moderate the overall rate of cost increase for each “big deal” and to be ready to address any further financial crises and threat to library resource funding. The consequence of not being prepared is the disorderly cancellation of “big deals” in a short time-frame in the manner that some Australian libraries have encountered when the rapid devaluation of the Australian dollar coincided with 2009 renewal payments. Consortia could investigate a reduced size collection formulated around actual consortium usage patterns (allowing the ability to deselect low-use titles). This would still provide access to the well-used titles across the consortium, retain all members in the deal, while reducing the cost for all members to a sustainable level. OhioLink used the orderly retreat methodology in 2005 with two major publishers, eliminating low-use titles and achieving a financial outcome across the consortium which benefited the maximum number of members, while avoiding client backlash. Gatten and Sanville (2004) make this observation:

“While this is not quite the 80/20 rule, the same principle is in effect - the majority of use comes from a minority of titles. This, combined with the relatively high correlations of rank order between institutions, indicates a fairly large number of titles could be eliminated during an orderly retreat without a significant negative affect (sic) on the total number of article downloads at any one institution.....Under the aggregated consortium approach, each university loses far fewer of their used titles than if acting alone...the

consortium orderly retreat mechanism still results in only about 3% of lost article downloads for each university."

While customising bundles means extra expense for publishers in setting up and renegotiating with each consortium, the OhioLink example suggests that it is a feasible model worth further investigation. However, as Sanville recently acknowledged, the article provided the theory, but the methodology is untested in a situation such as the current severe financial crisis, where significant double digit percentage expenditure reductions may be required (Sanville, 2008).

CONCLUSION

"Big deals" have continued to persist because they provide superior levels of access for clients and offer relatively good return on investment in terms of average cost per download. Given spiralling price increases for serials and competing demands upon resource budgets, libraries have afforded "big deals" in a trend that cannot be sustained. It is possible that, in response to the current financial crisis, a powerful bargaining coalition may be formed, that consortia will work together successfully to negotiate acceptable cost-containment mechanisms with publishers, and that "big deals" will survive for now and the status quo will be maintained.

Ultimately, however, as publishers will endeavour to maintain their revenue sources, any cost containment will be short-lived and the serials price increase spiral will return. Individual consortia need to prepare for an "orderly retreat" from their "big deals", more effectively harnessing consortial usage data to devise alternative packages which involve a significant reduction in financial commitment for libraries via the elimination of low use/low value content or other creative mechanisms. Otherwise, before the Open Access revolution in journal

publishing arrives to save them, libraries will face the disorderly unbundle that is cancellation of the “big deal”.

REFERENCES

- Bergstrom, C. T. and T. C. Bergstrom. 2004. The Costs and Benefits of Library Site Licences to Academic Journals. *PNAS* 101(3): 897–902.
- Boissy, R., T. Feick., and L. Knapp. 2007. Journal pricing ten years later. *The Serials Librarian* 52(1): 167-182.
- Burrows, T. 2006. Brave New World or plus ca change?: Electronic Journals and the Academic Library. *AARL* 37(3): 170-178.
- Douglas, K. and D. L. Roth. 2006. Looming Threats to Society Journals. *Science & Technology* 84(47): 82-84.
- Duranceau, E. F. 2004. Cornell and the Future of the Big Deal: an Interview with Ross Atkinson. *Serials Review* 30(2): 127-130
- Edlin, A.S. and D. L. Rubinfeld. 2005. Competition Policy for Journals. The Bundling of Academic Journals. *AEA Papers and Proceedings* 95 (2): 441-446.
http://works.bepress.com/aaron_edlin/40/ (accessed July 28, 2008).
- Edlin, A. S. and D. L. Rubinfeld. 2004. Exclusion or Efficient Pricing: The “Big Deal” Bundling of Academic Journals. *Antitrust Law Journal* 72 (1): 128-159.
<http://works.bepress.com/aaron.edlin/37>. (accessed July 28, 2008).
- Frazier, K. 2001. The Librarian's Dilemma: Contemplating the Costs of the “Big Deal”. *D-Lib Magazine* 7 (3). <http://www.dlib.org/dlib/march01/frazier/03frazier.html> (accessed July 28, 2008).

Friend, F. J. 2003. Big Deal—Good Deal? Or Is There a Better Deal?. *Learned Publishing* 16 (2): 153-155.

<http://www.ingentaconnect.com/content/alpsp/lp/2003/00000016/00000002/art00013> (accessed July 28, 2008).

Gatten, J. N., and T. Sanville. 2004. An Orderly Retreat from the Big Deal: Is It Possible for Consortia? *D-Lib Magazine* 10 (10). <http://www.dlib.org/dlib/october04/gatten/10gatten.html> (accessed July 28, 2008)

Gibbs, N. J. 2005. Walking Away from the 'Big Deal': Consequences and Achievements. *Serials: The Journal for the Serials Community* 18(2): 89-94.

International Coalition of Library Consortia (ICOLC). 2009. Statement on the Global Economic Crisis and its Impact on Consortial Licenses January 19, 2009. <http://www.library.yale.edu/consortia/> (accessed January 19, 2009).

ISSN International Centre. n.d. ISSN Statistics <http://www.issn.org/2-22640-Statistics.php> (accessed January 27, 2009).

McGuigan, G. S. and R. D. Russell. 2008. The Business of Academic Publishing: A Strategic Analysis of the Academic Journal Publishing Industry and its Impact on the Future of Scholarly Publishing. *Electronic Journal of Academic and Special Librarianship*. 9(3). http://southernlibrarianship.icaap.org/content/v09n03/mcguigan_g01.html (accessed December 19, 2008).

Nabe, J. 2001. E-Journal Bundling and Its Impact on Academic Libraries: Some Early Results. *Issues in Science and Technology Librarianship* 30. <http://www.library.ucsb.edu/istl/01-spring/article3.html> (accessed July 28, 2008).

Peters, T. A. 2001. What's the Big Deal? *The Journal of Academic Librarianship* 27(4): 302-304.

http://www.sciencedirect.com/science?_ob=MIImg&_imagekey=B6W50-43N57XB-B-1&_cdi=6556&_user=62921&_orig=browse&_coverDate=07%2F31%2F2001&_sk=999729995&_view=c&_wchp=dGLzVlz-zSkzV&md5=78e150b267077a23df7706fc9ad3e94f&ie=/sdarticle.pdf (accessed July 28, 2008).

Renison, N. 2006. A price model for adding new start-up journals to publisher packages.

[http://www.caul.edu.au/dataset\\$/ceirc2006newitlesmodel-nr.doc](http://www.caul.edu.au/dataset$/ceirc2006newitlesmodel-nr.doc) (accessed January 21, 2007).

Sanville, T. 2008. Unbundling - budget crisis - are you still pursuing the "orderly retreat" (Email December 3).

Scigliano, M. 2002. Consortium Purchases: Case Study for a Cost-Benefit Analysis. *The Journal of Academic Librarianship* 28(6): 393-399

http://www.sciencedirect.com/science?_ob=MIImg&_imagekey=B6W50-47C8HTP-6-1&_cdi=6556&_user=62921&_orig=browse&_coverDate=12%2F31%2F2002&_sk=999719993&_view=c&_wchp=dGLzVtb-zSkzk&md5=0906405402967f6b13df9e244fc4a378&ie=/sdarticle.pdf (accessed July 28, 2008).

Tenopir, C. 2004. Online Databases--Online Scholarly Journals: How Many? *Library Journal*

129(2): 32 <http://www.libraryjournal.com/index.asp?layout=articlePrint&articleID=CA374956> (accessed January 27, 2009).

The Bowker Annual Library and Book Trade Almanac. 2008. 53rd ed. Medford, New Jersey: Information Today.

Ulrich'sweb.com <http://www.ulrichsweb.com/ulrichsweb/default.asp?navPage=4&> accessed January 27, 2009).

Van Orsdel, L. C. and K. Born. 2007. Periodicals Price Survey 2007: Serial Wars. *Library Journal* 132 (7): 43.
<http://www.libraryjournal.com/index.asp?layout=articlePrint&articleID=CA6431958> (accessed December 12, 2008).

Vam Orsdel, L. C. and K. Born. 2008. Periodicals Price Survey 2008: Embracing Openness. Global Initiatives and Startling Successes hint at the Profound Implications of Open Access Publishing. *Library Journal* 4/15/2008.
<http://www.libraryjournal.com/index.asp?layout=articlePrint&articleID=CA6547086> (accessed October 15, 2008).